



DEPARTMENT OF THE NAVY

BUREAU OF MEDICINE AND SURGERY
WASHINGTON, D C 20372-5120

IN REPLY REFER TO
BUMEDINST 5200.13
BUMED-09CE
6 Nov 91

BUMED INSTRUCTION 5200.13

From: Chief, Bureau of Medicine and Surgery

Subj: REVIEW AND IMPROVEMENT OF MANAGEMENT CONTROL SYSTEMS

Ref: (a) Budget and Accounting Procedures Act of 1950
(b) Federal Managers' Financial Integrity Act of 1982
(c) OMB Circular A-123 (NOTAL)
(d) SECNAVINST 5200.35C (NOTAL)
(e) OPNAVINST 5200.25B

Encl: (1) Inventory of Assessable Units for Naval Medical
Department Activities by Functional Category for
FY 92-96
(2) Management Control Plan for Naval Medical Department
Activities for FY 92-96
(3) Guidance for Performance of Risk Assessments
(4) Guidance for Performance of Management Control
Evaluations
(5) Management Control Program Reporting Requirements
(6) Guidelines for Submission of Report Requirements

1. Purpose. To provide policies, procedures, and reporting requirements for the periodic review and improvement of management control systems and to reduce the potential for waste, fraud, abuse, mismanagement, and unfavorable public opinion within the naval Medical Department.

2. Cancellation. BUMEDNOTE 5200 of 5 October 1990.

3. Background. Reference (a) has long required the head of each department and agency to establish and maintain adequate systems of management control. Reference (b) amended reference (a) to require ongoing evaluations and reports on the adequacy of management control systems. References (c) through (e) implemented references (a) and (b) and assigned management the primary responsibility for review and improvement of management control systems. This instruction implements requirements contained in references (a) through (e), provides a vehicle to ensure periodic review and improvement of management controls, and establishes corollary reporting requirements.

4. Definitions

a. Alternate Management Control Review (AMCR). A process of using the results of local or outside reviews or audits (i.e., Healthcare Organizations (JCAHO) inspections, total quality



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leadership process action team reviews, computer security reviews, precious metals recovery audits, collection agent audits, quality assurance reviews, financial system reviews, Naval Audit Service (NAVAUDSVC) audits, efficiency reviews, etc.), inspections, investigations, command evaluations, or management and consulting reviews to determine overall compliance with management control standards.

b. Assessable Unit. Any program or procedural area directed by the Chief, Bureau of Medicine and Surgery (BUMED), or local management for review (i.e., Precious Metals Recovery Program, linen disposal procedures, Child Care Program, Medical Training and Education Program, stock fund administration, etc.). The Secretary of the Navy (SECNAV) or the Chief, Naval Operations (CNO) may provide supplemental units for review. The current inventory of assessable units for the naval Medical Department, including SECNAV and CNO mandated units for review, is provided in enclosure (1). BUMED will distribute additions or deletions to this list each year in October via notice or change transmittal.

c. Event Cycle. A series of steps to accomplish a task (i.e., the assessable unit warehousing controls may contain the following steps: stocking objectives, receipt, inventory, and issue controls).

d. Functional Category. A broad functional area which encompasses designated assessable units (i.e., the functional category "Information Technology" may include the following assessable units: software acquisition controls, Automated Data Processing (ADP) Security Program, computer backup operation, and microcomputer acquisition procedures). Functional categories may also include two or more subfunctional categories. For the purpose of conducting assessments, the following functional and subfunctional categories have been segmented for review within the naval Medical Department:

- (1) Research, development, test, and evaluation.
- (2) Major system acquisitions.
- (3) Procurement.
- (4) Contract administration.
- (5) Force readiness.
- (6) Manufacturing, maintenance, and repair.
- (7) Supply operations.

- (8) Property management.
- (9) Communications security and intelligence.
- (10) Information technology.
- (11) Personnel and organizational management.
- (12) Comptroller or resource management.
- (13) Support services:
 - (a) Administrative support.
 - (b) Audit.
 - (c) Facilities and base maintenance.
 - (d) Legal.
 - (e) Medical and dental.
 - (f) Medical quality assurance.
 - (g) Morale, welfare, and recreation.
- (14) Security assistance.
- (15) Transportation.
- (16) Local inventory assignment.

e. Inventory of Assessable Units. Inventory which consists of the total assessable units segmented by functional category for the organization. This inventory consists of applicable areas for review as identified in enclosures (1) and (2) with supplemental local inventory areas assigned to functional category 16 as desired.

f. Management Control. The plan of organization and all methods and measures adopted by management to safeguard its resources; ensure the accuracy and reliability of its information; ensure adherence to applicable laws, regulations, and policies; and promote economy and efficiency. The term "management control" is not standardized throughout the Government and may be referred to as "internal control" or "internal management control."

g. Management Control Program. The institutionalized process of an organization to ensure management control systems are working effectively through assignment of

responsibilities, issuance and implementation of guidance, conduct of reviews, documentation of deficiencies, development of plans of action for corrective actions, and use of effective followup procedures. This process includes audits, inspections, command evaluations, management control reviews, and alternate management control reviews. Any combination of the options listed above may be used to evaluate a selected unit.

h. Management Control Review (MCR). A detailed examination of an assessable unit by the responsible manager to determine the adequacy of controls and to identify and correct weaknesses.

i. Material Weakness. Constitutes any noncompliance with General Accounting Office (GAO) standards; conditions in which management controls do not provide reasonable assurance that the objectives of the program are being met; or when a weakness has or might cause loss of control over 5 percent or more of the available resources. Additional criteria which may be applied to determine the physical nature of weaknesses are:

- (1) Actual or potential loss of resources.
- (2) Sensitivity of the resources involved.
- (3) Magnitude of funds, property, or other resources involved.
- (4) Frequency of actual or potential loss.
- (5) Current or probable media interest (adverse publicity).
- (6) Current or probable congressional interest.
- (7) Unreliable information causing unsound management decisions.
- (8) Diminished credibility or reputation of management.
- (9) Impaired fulfillment of essential mission.
- (10) Violation of statutory or regulatory requirements.
- (11) Impact on information security.
- (12) Failure of the Government to provide the public with needed services.
- (13) Apparent conflict of interest.

j. Management Control Plan (MCP). A brief, written 5-year plan (updated annually) that states the number of MCRs and AMCRs planned to be performed during a 5-year period. The BUMED directed 5-year plan for the naval Medical Department for fiscal years (FYs) 92-96 is provided in enclosure (2). This plan may be augmented by locally determined review areas.

k. Reasonable Assurance. The level of confidence or judgement based on all available information that the component systems of management controls are operating as intended.

l. Risk Assessment. A manager's review of the susceptibility of a program or procedural area to waste, loss, unauthorized use, errors in reports and information, illegal or unethical acts, or the perception that such situations may exist. It must be recognized that a risk assessment does not always identify that problems exist, but addresses the risk associated with the area to be reviewed. This assessment results in the ranking of the assessable unit as to high, medium, or low vulnerability which is then used to prioritize and schedule the MCR or AMCR for completion under the 5-year MCP.

5. General. Effective and efficient management controls must be established and maintained over all naval Medical Department resources. To ensure proper application of management control, the Management Control Program will not be restricted solely to the financial management area. Nor will the Management Control Program be erroneously viewed primarily as a functional responsibility of the command evaluation or inspection component. These entities may coordinate the Management Control Program effort, but actual performance of risk assessments and management control reviews must be performed by the responsible manager. Maintenance of effective and efficient management control systems is a primary management responsibility. Failure to fulfill this responsibility will inevitably result in failure to achieve organizational goals and can result in personal injury or death in extreme situations. With few exceptions, instances of waste, fraud, abuse, mismanagement, and unfavorable opinion have resulted from management's failure to adequately assess areas of potential vulnerability and from failure to establish and maintain appropriate management controls.

a. Establishment and Maintenance of Management Control Systems. Management controls commonly exist in several forms. The chain of command and organizational structure establish authority and align responsibility. Directives and standard operating procedures prescribe policies and procedures to be followed, actions to be taken, reports to be prepared, lines of responsibility and accountability, etc. Reports are used to communicate data and monitor performance. Equipment is used to reduce waste and improve operational efficiency. System edits

and reconciliation procedures are used to improve accuracy. Standard systems and forms are used to improve the effectiveness and efficiency of data communication and processing. Physical and other security controls reduce the potential for unauthorized access. Education and training are used to improve personnel competence, thereby improving operational effectiveness and reducing the potential for waste and mismanagement. The basic examples above illustrate only a few of the more common types of management controls employed by managers. Other established standards to be used by managers in the maintenance, review, and improvement of management control systems include:

(1) General Standards

(a) Reasonable Assurance. Control systems will provide reasonable, but not absolute, assurance that the objectives of the system will be accomplished.

(b) Supportive Attitude. Managers and employees will maintain and demonstrate a positive and supportive attitude toward management control at all times.

(c) Competent Personnel. Managers and employees will have personal and professional integrity and will maintain a level of competence that allows them to accomplish their assigned duties, as well as understand the importance of developing and implementing good controls.

(d) Control Objectives. Control objectives will be identified or developed for each activity and will be logical, applicable, and reasonably complete.

(e) Control Techniques. Control techniques will be effective and efficient in accomplishing control objectives.

(2) Specific Standards

(a) Documentation. Control systems and all transactions and other significant events will be documented clearly, and the documentation will be readily available for examination.

(b) Recording of Transactions and Events. Transactions and other significant events will be recorded promptly and classified properly.

(c) Execution of Transactions and Events. Transactions and other significant events will be authorized and executed only by persons acting within the scope of their authority.

(d) Separation of Duties. Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions will be separated among individuals. Management control depends largely on eliminating opportunities to conceal errors or irregularities. Work will be assigned so no one individual controls all phases of an activity or transaction. This avoids creating a situation in which errors or irregularities could go undetected.

(e) Supervision. Qualified and continuous supervision will be provided to ensure control objectives are achieved.

(f) Access to and Accountability for Resources. Access to resources and records will be limited to authorized individuals, and accountability for the custody and use of resources will be assigned and maintained. Periodic comparison will be made between the resources and the recorded accountability to determine whether the two agree. The frequency of the comparison will be a function of the vulnerability of the asset.

(3) Audit Resolution Standard (Prompt Resolution of Audit Findings). Managers must:

(a) Promptly evaluate findings and recommendations reported by auditors.

(b) Determine proper actions in response to audit findings and recommendations.

(c) Complete, within established timeframes, all actions that correct or otherwise resolve the matters brought to management's attention.

b. Responsibility and Accountability for Management Control Systems. Achievement of management control objectives must be a necessary part of both civilian and military personnel performance appraisals where those personnel engage in functions which require management control. As the performance appraisal is a formal process of personnel evaluation, specific management control responsibilities for both civilian and military managers must be identified and documented at appropriate organizational levels so performance appraisal systems reflect performance of applicable management control responsibilities. The identification and documentation of these responsibilities can take several forms. They can be identified and documented in organizational directives, standard operating procedures, and letter or memorandum form. Civilian personnel have standard performance appraisal systems which can incorporate management control objectives. As management control objectives cannot be

readily incorporated in the military fitness reports or performance evaluations, management control responsibilities must be identified, documented, and communicated through the command's management system. Accomplishments as well as deficiencies in carrying out responsibilities must be noted in appraisals and appropriate action must be taken for violations of management control responsibilities.

c. Span of Management Control. The organizational role and responsibility for a given assessable unit must begin at some point and end at some point, and these control parameters must be recognized as they impose management limits on the control environment. All managers have a defined area of organizational control and are responsible and accountable for establishing and maintaining appropriate management control systems within that area.

d. Steps to Establish and Maintain Management Control Systems. The following four general steps are necessary:

(1) Definition of Management Control Objectives. Management control objectives must be defined. This step essentially consists of the identification of what should be controlled and why. Objectives will be based in part on management assessment of risk to the area of waste, abuse, mismanagement, fraud, and unfavorable public opinion.

(2) Development of Specific Management Controls. Determination must be made relative to the type and nature of specific management controls to be employed (control techniques). This step consists of the specific identification of where the control will be situated, who will be responsible and accountable for the control, how the control will operate, when the control application will operate, and the implementation or actual operation of those controls.

(3) Development of Management Control Documentation. Appropriate management control documentation must be developed to formalize and communicate the operation of the control. As management controls will exist in both a formal and an informal mode, the scope and nature of this documentation will vary as a function of the type of control to be employed. Obviously, informal controls will require far less documentation than formal controls.

(4) Maintenance of the Management Control System. The management control system must be maintained in an effective and efficient manner. This is done by periodic review and improvement of the controls established through the previous three steps. Periodic review and improvement are necessary to validate assumptions present when management controls were

established, to ensure controls are operating as intended, to accommodate evolutionary changes in areas to be controlled, and to assess management control documentation is properly maintained.

6. Responsibilities. The Chief, BUMED directs the Management Control Program for the naval Medical Department. To support BUMED in this role, the following responsibilities are assigned:

a. The Special Assistant for Command Evaluation (MED-09CE) is responsible for program management and administration. This office must:

(1) Develop guidance.

(2) Develop and distribute program and procedural areas for review by naval Medical Department activities during the established 5-year cycle.

(3) Provide annual training for activity Management Control Program coordinators.

(4) Prepare and forward the BUMED annual certification statement and semiannual report to CNO.

(5) Coordinate reporting requirements for the naval Medical Department. This includes:

(a) Establishing and maintaining a tracking system to monitor material weaknesses reported to CNO.

(b) Establishing and maintaining a followup system to track the status of naval Medical Department-wide program implementation.

(6) Provide for oversight through existing inspection systems and onsite quality assurance.

(7) Identify high-risk areas and task priority review of these areas throughout the naval Medical Department.

(8) Forward management control weaknesses, identified as systemic, to the respective BUMED assistant chiefs for evaluation.

b. BUMED assistant chiefs must evaluate systemic weaknesses forwarded for review addressing the materiality of the weaknesses reported, the identification of possible Medical Department-wide problems, and the appropriateness of corrective actions taken or planned. This information will be used in the BUMED annual certification statement to CNO.

7. Action. Commanding officers and officers in charge must:

a. Assign responsibility for program management and the performance of management control assessments and reviews.

b. Establish and maintain an inventory of assessable units. Enclosure (2) provides BUMED directed units for which reviews will be conducted for all applicable units within the fiscal year assigned. Select additional local inventory review areas to supplement this list as desired. Subfunctional categories under functional category 16 must be used for assignment and reporting of these locally determined review areas.

c. Conduct risk assessments or alternate risk assessments for all locally determined review areas at least once every 5 years. Enclosure (3) provides guidance for performing risk assessments for these areas. Alternate risk assessments may be performed using the criteria available in paragraph 1b to enclosure (3).

d. Schedule MCRs and AMCRs for assessable units during the 5-year cycle based on the BUMED directed plan provided in enclosure (2). Vulnerability assessments are not required to be performed for these assessable units. Also, any additional local inventory units identified for review will be prioritized and scheduled within the BUMED directed plan based on vulnerability assessment results. Guidelines for the performance of MCRs and AMCRs are provided in enclosure (4).

e. Perform MCRs or AMCRs for assessable units and identify results, including all weaknesses identified, with plans for corrective action and estimated completion as prescribed in attachments B and C to enclosure (5).

f. Prepare a management control status report and annual certification statement for submission to BUMED as directed in enclosure (5).

g. Follow the reporting provisions of enclosure (6), as established by references (d) and (e), and report management control results to BUMED vice Navy and Marine Corps responsible line commanders; provide a copy of the report to the appropriate responsible line commander; use report control symbol DD-COMP(AR) 1618(5200) on all reports submitted.

h. Develop and maintain a local followup system to provide status information. This followup system must be capable of providing status information for local use or as required by higher authority.

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i. Establish quality assurance procedures to ensure the program has been fully implemented. Use the results of audits, inspections, command evaluations, or other reviews to determine the adequacy of the Management Control Program.


j. Ensure military and civilian personnel responsible for systems of control are identified and the performance appraisal systems for these individuals reflect management control responsibilities, accomplishments, or deficiencies.

k. Ensure military and civilian managers are provided training concerning their responsibilities for management controls.

8. Form and Report

a. NAVCOMPT 2283 (8-86), Vulnerability Assessment Form, S/N 0104-LF-702-2830 is available from the Navy Supply System and may be requisitioned per NAVSUP P-2002D.

b. The Internal Management Control Program required by paragraph 7 is assigned report control symbol DD-COMP(AR) 1618(5200). This report has been approved for 3 years from the date of this directive.


D. F. HAGEN

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INVENTORY OF ASSESSABLE UNITS FOR
NAVAL MEDICAL DEPARTMENT ACTIVITIES
BY FUNCTIONAL CATEGORY
FY 92-96

1. FUNCTIONAL CATEGORY: Research, Development, Test and Evaluation
 - 01.001 Research Contracts
 - 01.002 Informed Consent (Human Use)
 - 01.003 Intra-Command Information Dissemination
 - 01.004 Research Planning, Programming, and Budgeting System
2. FUNCTIONAL CATEGORY: Major System Acquisitions
 - 02.00X (For future BUMED assignment of review areas)
3. FUNCTIONAL CATEGORY: Procurement
 - 03.001 Imprest Fund Procedures
 - 03.002 Sole Source Procedures
 - 03.003 Blanket Purchase Agreement Procedures
 - 03.004 Competition Advocacy Program
 - 03.005 Investment Equipment Management Procedures
 - 03.006 Central Procurement of Medical Equipment Program
 - 03.007 Reprographic Equipment Acquisition Procedures
4. FUNCTIONAL CATEGORY: Contract Administration
 - 04.001 Contract Initial Issuance and Renewal Procedures
 - 04.002 Quality Assurance Review Procedures
5. FUNCTIONAL CATEGORY: Force Readiness
 - 05.001 Navy Manpower Mobilization System Program
 - 05.002 Logistics Support and Mobilization Plan Review
 - 05.003 Continuity of Operations Plan Review
 - 05.004 Disaster Preparedness Procedures
 - 05.005 National Disaster Medical System
 - 05.006 Deployable Medical Systems Review
 - 05.007 Medical Personnel Unit Augmentation System
 - 05.008 Mobile Medical Augmentation Readiness Team Review
6. FUNCTIONAL CATEGORY: Manufacturing, Maintenance, and Repair
 - 06.001 Medical Equipment Maintenance Program
 - 06.002 Dental Equipment Maintenance Program

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7. FUNCTIONAL CATEGORY: Supply Operations

- 07.001 Precious Metals Recovery Program
- 07.002 Excess Materiel Procedures
- 07.003 Hazardous Materiel Management
- 07.004 Warehouse Controls
- 07.005 Defense Regional Interservice Support Program
- 07.006 Document Flow Procedures
- 07.007 Inventory Control Procedures
- 07.008 Stock Fund Administration
- 07.009 Backorder File Maintenance Procedures
- 07.010 Food Service Operations

8. FUNCTIONAL CATEGORY: Property Management

- 08.001 Property Accounting Procedures
- 08.002 Property Disposal Procedures
- 08.003 Equipment Subcustody Procedures
- 08.004 Equipment Replacement Program
- 08.005 Dental Equipment and Facilities Report Procedures
- 08.006 Linen Inventory Control and Disposal Procedures
- 08.007 Missing, Lost, Stolen, or Recovered Report (MLSR) Procedures

9. FUNCTIONAL CATEGORY: Communications Security and Intelligence

- 09.001 Telephone Administration
- 09.002 Classified Material and Information Security
- 09.003 Physical Security Program
- 09.004 Administration of Security Clearances
- 09.005 Patient Valuables Security
- 09.006 Lock and Combination Change Requirements
- 09.007 Key Control Procedures

10. FUNCTIONAL CATEGORY: Information Technology

- 10.001 Software Acquisition Controls
- 10.002 ADP Security Program Requirements
- 10.003 Computer Backup Operation Procedures
- 10.004 Microcomputer Acquisition Procedures

11. FUNCTIONAL CATEGORY: Personnel and Organizational Management

- 11.001 Administration of Leave and Liberty
- 11.002 Equal Employment Opportunity Affirmative Action Program
- 11.003 Standards of Conduct Review
- 11.004 Command Suggestion Program

- 11.005 Incentive Award Program
- 11.006 Position Management Review
- 11.007 Conflict of Interest and Off-Duty Employment Review
- 11.008 Command Sponsor Program
- 11.009 Employee Development Program
- 11.010 Command Training Program
- 11.011 Command Safety Program
- 11.012 Family Advocacy Program
- 11.013 Federal Women's Program
- 11.014 Discrimination Complaint Procedures
- 11.015 Sexual Harassment Review Procedures
- 11.016 Command Managed Equal Opportunity Program (CMEQ)
- 11.017 Public Affairs Program
- 11.018 Efficiency Review Program

12. FUNCTIONAL CATEGORY: Comptroller or Resource Management

- 12.001 Unliquidated Obligations
- 12.002 Prompt Payment Procedures
- 12.003 Late Interest Payment Review
- 12.004 Travel Liquidation Procedures
- 12.005 Job Order Number Assignment and Review
- 12.006 Memorandum Accounting Procedures
- 12.007 Medical Expense Performance Reporting System
- 12.008 Year-End Spending Control Procedures
- 12.009 Unauthorized Commitment Control Procedures
- 12.010 Integrated Disbursing and Accounting System (IDA)
- 12.011 Medical Inventory Control System (MICS)
- 12.012 Integrated Disbursing and Accounting Claimant Account
Module
- 12.013 Funds Control Procedures
- 12.014 Reimbursable Order Procedures
- 12.015 Timekeeping Administrative Procedures
- 12.016 Overtime Control Procedures
- 12.017 Budget Preparation and Execution Procedures
- 12.018 Workman's Compensation Claim Review Procedures
- 12.019 Office of Medical Affairs Voucher Review Procedures
- 12.020 Outpatient and Inpatient Billing Procedures
- 12.021 Third Party Collection Procedures
- 12.022 Collectable Reimbursables
- 12.023 Internal Partnership Program Financial Review
Procedures
- 12.024 Overseas Workyear Controls

13. FUNCTIONAL CATEGORY: Support Services

a. SUBFUNCTIONAL CATEGORY: Administrative Support

- 13A.001 Library Administration Procedures

- 13A.002 Accident Investigation and Reporting Procedures
- 13A.003 Records Management Review Procedures
- 13A.004 Directives Management Review Procedures
- 13A.005 Printing Review Procedures
- 13A.006 Forms Management Control Procedures
- 13A.007 Appointment System Procedures
- 13A.008 Patient Contact Program
- 13A.009 Worldwide Outpatient Reporting System (WORS)
- 13A.010 Internal Partnership Program Administration
- 13A.011 Correspondence Controls
- 13A.012 Privacy Act and Freedom of Information
- 13A.013 Mailroom Operating Procedures

b. SUBFUNCTIONAL CATEGORY: Audit

- 13B.001 Command Evaluation Program
- 13B.002 Hotline Program
- 13B.003 Management Control Program
- 13B.004 Audit and Inspector General Followup Program

c. SUBFUNCTIONAL CATEGORY: Facilities and Base
Maintenance

- 13C.001 Minor Construction Review Procedures
- 13C.002 Energy Conservation Program
- 13C.003 Military Construction Program (MILCON)
- 13C.004 Public Quarters Fire Protection Plan
- 13C.005 Hazardous Waste Management

d. SUBFUNCTIONAL CATEGORY: Legal

- 13D.001 Administrative Discharge Procedures

e. SUBFUNCTIONAL CATEGORY: Medical and Dental

- 13E.001 Navy Drug Urinalysis Testing Program
- 13E.002 Medical Training and Education Program
- 13E.003 Dental Training and Education Program
- 13E.004 Industrial Hygiene Program
- 13E.005 Environmental Health Program
- 13E.006 Occupational Health Program
- 13E.007 Decedent Affairs Program
- 13E.008 Ambulance Transportation Procedures
- 13E.009 Defense Enrollment Eligibility Reporting
System
- 13E.010 Human Immunodeficiency Virus HIV Testing
Program
- 13E.011 CHAMPUS Program Administration
- 13E.012 Department of Veterans Affairs and Department of
Defense Resource Sharing Review

- 13E.013 Controlled Drug Procedures
- 13E.014 Disengagement Procedures
- 13E.015 Convalescent Leave Authorization Procedures
- 13E.016 Emergency Medical Technician Training Program
- 13E.017 Occupational Radiation Program
- 13E.018 Radiation Health Program
- 13E.019 Rabies Program
- 13E.020 Military Veterinary Medicine Program
- 13E.021 Problematic Medical Board Report Review Procedures
- 13E.022 Bed Capacity and Bed Status Review
- 13E.023 Uniformed Services Health Benefits Program
- 13E.024 Overseas Screening and Exceptional Family Member Program
- 13E.025 Substance Abuse, Prevention, and Control Program
- 13E.026 Joint Health Benefits Delivery Program
- 13E.027 Prosthodontic Laboratory Procedures
- 13E.028 Dental Reserve Orientation and Education Program
- 13E.029 Dental Information Retrieval System Program
- 13E.030 NAVCARE Program

f. SUBFUNCTIONAL CATEGORY: Medical Quality Assurance

- 13F.001 Blood Bank Procedures
- 13F.002 Alcohol and Drug Abuse Rehabilitation Program
- 13F.003 Quality Assurance Administration
- 13F.004 Medical Credentialing Review Procedures
- 13F.005 Medical Examination Procedures
- 13F.006 Medical Records Administration
- 13F.007 Health Education Program
- 13F.008 AIDS Education Program
- 13F.009 Infectious Waste Management
- 13F.010 Smoking Cessation Program
- 13F.011 Hypertension Education, Prevention, and Control Program
- 13F.012 Stress Management Control Program
- 13F.013 Dental Quality Assurance and Risk Management Program
- 13F.014 Dental Credentialing Review Procedures
- 13F.015 Medical Infection Surveillance Program
- 13F.016 Needle and Syringe Control Procedures

g. SUBFUNCTIONAL CATEGORY: Morale, Welfare, and Recreation

- 13G.001 Bachelor Officer and Enlisted Quarters Administration
- 13G.002 Ombudsman Program
- 13G.003 Welfare and Recreation Fund Administration
- 13G.004 Child Care Program

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14. FUNCTIONAL CATEGORY: Security Assistance

14.00X (For future BUMED assignment of review areas)

15. FUNCTIONAL CATEGORY: Transportation and Mission Operations

a. SUBFUNCTIONAL CATEGORY: Transportation

15A.001 Vehicle Maintenance Review Procedures
15A.002 Vehicle Utilization Control Procedures
15A.003 Credit Card Control Procedures

b. SUBFUNCTIONAL CATEGORY: Mission Operations

15B.00X (For future BUMED assignment of review areas)

16. FUNCTIONAL CATEGORY: Other (The following subfunctional categories are to be used for local inventory assignment of review areas)

a. SUBFUNCTIONAL CATEGORY: Research, Development, Test, and Evaluation

16A.00X (For local inventory use)

b. SUBFUNCTIONAL CATEGORY: Major System Acquisitions

16B.00X (For local inventory use)

c. SUBFUNCTIONAL CATEGORY: Procurement

16C.00X (For local inventory use)

d. SUBFUNCTIONAL CATEGORY: Contract Administration

16D.00X (For local inventory use)

e. SUBFUNCTIONAL CATEGORY: Force Readiness

16E.00X (For local inventory use)

f. SUBFUNCTIONAL CATEGORY: Manufacturing, Maintenance and Repair

16F.00X (For local inventory use)

- g. SUBFUNCTIONAL CATEGORY: Supply Operations
16G.00X (For local inventory use)
- h. SUBFUNCTIONAL CATEGORY: Property Management
16H.00X (For local inventory use)
- i. SUBFUNCTIONAL CATEGORY: Communications, Security, and
Intelligence
16I.00X (For local inventory use)
- j. SUBFUNCTIONAL CATEGORY: Information Technology
16J.00X (For local inventory use)
- k. SUBFUNCTIONAL CATEGORY: Personnel and Organizational
Management
16K.00X (For local inventory use)
- l. SUBFUNCTIONAL CATEGORY: Comptroller or Resource
Management
16L.00X (For local inventory use)
- m. SUBFUNCTIONAL CATEGORY: Administrative Support
16M.00X (For local inventory use)
- n. SUBFUNCTIONAL CATEGORY: Audit
16N.00X (For local inventory use)
- o. SUBFUNCTIONAL CATEGORY: Facilities and Base
Maintenance
16O.00X (For local inventory use)
- p. SUBFUNCTIONAL CATEGORY: Legal
16P.00X (For local inventory use)
- q. SUBFUNCTIONAL CATEGORY: Medical and Dental
16Q.00X (For local inventory use)
- r. SUBFUNCTIONAL CATEGORY: Medical Quality Assurance
16R.00X (For local inventory use)

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- s. SUBFUNCTIONAL CATEGORY: Morale, Welfare, and Recreation
16S.00X (For local inventory use)
- t. SUBFUNCTIONAL CATEGORY: Security Assistance
16T.00X (For local inventory use)
- u. SUBFUNCTIONAL CATEGORY: Transportation
16U.00X (For local inventory use)
- v. SUBFUNCTIONAL CATEGORY: Mission Operations
16V.00X (For local inventory use)

MANAGEMENT CONTROL PLAN FOR
NAVAL MEDICAL DEPARTMENT ACTIVITIES
FOR FY 92-96

Unit Control Number	<u>Assessable Units Assigned For Review During FY 92</u>
01.001	Research Contracts
01.002	Informed Consent (Human Use)
01.003	Intra-Command Information Dissemination
01.004	Research Planning, Programming, and Budgeting System
05.005	National Disaster Medical System
07.009	Backorder File Maintenance Procedures
08.007	Missing, Lost, Stolen, or Recovered Report (MLSR) Procedures
09.001	Telephone Administration
09.003	Physical Security Program
09.004	Administration of Security Clearances
10.002	ADP Security Program Requirements
11.007	Conflict of Interest and Off-Duty Employment Review
11.017	Public Affairs Program
12.001	Unliquidated Obligations
12.003	Late Interest Payment Review
12.004	Travel Liquidation Procedures
12.013	Funds Control Procedures
12.014	Reimbursable Order Procedures
12.019	Office of Medical Affairs Voucher Review Procedures
12.021	Third Party Collection Procedures
12.022	Collectable Reimbursables Review
12.023	Internal Partnership Program Financial Review Procedures
12.024	Overseas Workyear Controls
13A.010	Internal Partnership Program Administration
13A.011	Correspondence Controls
13A.012	Privacy Act and Freedom of Information
13A.013	Mailroom Operating Procedures
13E.004	Industrial Hygiene Program
13E.011	CHAMPUS Program Administration
13E.030	NAVCARE Program
13F.004	Medical Credentialing Review Procedures
13G.004	Child Care Program
15A.001	Vehicle Maintenance Review Procedures

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Unit
Control

<u>Number</u>	<u>Assessable Units Assigned For Review During FY 93</u>
03.001	Imprest Fund Procedures
04.002	Quality Assurance Review Procedures
06.001	Medical Equipment Maintenance Program
06.002	Dental Equipment Maintenance Program
07.003	Hazardous Materiel Management
07.008	Stock Fund Administration
07.010	Food Service Operations
08.003	Equipment Subcustody Procedures
08.006	Linen Inventory Control and Disposal Procedures
10.001	Software Acquisition Controls
11.012	Family Advocacy Program
12.007	Medical Expense Performance Reporting System
12.010	Integrated Disbursing and Accounting System (IDA)
12.011	Medical Inventory Control System (MICS)
12.012	Integrated Disbursing and Accounting Claimant Account Module
12.020	Outpatient and Inpatient Billing Procedures
13A.007	Appointment System Procedures
13A.009	Worldwide Outpatient Reporting System (WORS)
13B.003	Management Control Program
13C.005	Hazardous Waste Management
13E.006	Occupational Health Program
13E.008	Ambulance Transportation Procedures
13E.010	Human Immunodeficiency Virus (HIV) Testing Program
13E.012	Department of Veterans Affairs and Department of Defense Resource Sharing Review
13E.014	Disengagement Procedures
13F.001	Blood Bank Procedures
13F.003	Quality Assurance Administration
13F.006	Medical Records Administration
13F.007	Health Education Program
13F.009	Infectious Waste Management
13F.014	Dental Credentialing Review Procedures
13G.003	Welfare and Recreation Fund Administration
15A.002	Vehicle Utilization Control Procedures

Unit
Control
Number

Assessable Units Assigned For Review During FY 94

03.002	Sole Source Procedures
03.004	Competition Advocacy Program
04.001	Contract Initial Issuance and Renewal Procedures
05.003	Continuity of Operations Plan Review
05.006	Deployable Medical Systems Review
05.007	Medical Personnel Unit Augmentation System
07.004	Warehouse Controls
07.006	Document Flow Procedures
07.007	Inventory Control Procedures
08.001	Property Accounting Procedures
08.004	Equipment Replacement Program
09.007	Key Control Procedures
10.003	Computer Backup Operation Procedures
11.011	Command Safety Program
12.002	Prompt Payment Procedures
12.015	Timekeeping Administrative Procedures
12.017	Budget Preparation and Execution Procedures
13A.003	Records Management Review Procedures
13B.001	Command Evaluation Program
13C.001	Minor Construction Review Procedures
13E.005	Environmental Health Program
13E.007	Decedent Affairs Program
13E.009	Defense Enrollment Eligibility Reporting System
13E.013	Controlled Drug Procedures
13E.016	Emergency Medical Technician Training Program
13E.017	Occupational Radiation Program
13E.021	Problematic Medical Board Report Review Procedures
13E.023	Uniformed Services Health Benefits Program
13E.024	Overseas Screening and Exceptional Family Member Program
13E.026	Joint Health Benefits Delivery Program
13F.002	Alcohol and Drug Abuse Rehabilitation Program
13F.008	AIDS Education Program
13F.012	Stress Management Control Program
13F.015	Medical Infection Surveillance Program

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Unit
Control
Number

Assessable Units Assigned For Review During FY 95

03.005	Investment Equipment Management Procedures
03.006	Central Procurement of Medical Equipment Program
03.007	Reprographic Equipment Acquisition Procedures
05.001	Navy Manpower Mobilization System Program
05.002	Logistics Support and Mobilization Plan Review
05.004	Disaster Preparedness Procedures
05.008	Mobile Medical Augmentation Readiness Team Review
07.001	Precious Metals Recovery Program
07.005	Defense Regional Interservice Support Program
09.002	Classified Material and Information Security
09.005	Patient Valuables Security
11.006	Position Management Review
11.010	Command Training Program
11.014	Discrimination Complaint Procedures
12.009	Unauthorized Commitment Control Procedures
13A.001	Library Administration Procedures
13A.002	Accident Investigation and Reporting Procedures
13A.006	Forms Management Control Procedures
13A.008	Patient Contact Program
13B.004	Audit and Inspector General Followup Program
13C.002	Energy Conservation Program
13C.003	Military Construction Program (MILCON)
13E.002	Medical Training and Education Program
13E.018	Radiation Health Program
13E.019	Rabies Program
13E.020	Military Veterinary Medicine Program
13E.022	Bed Capacity and Bed Status Review
13E.028	Dental Reserve Orientation and Education Program
13E.029	Dental Information Retrieval System Program
13F.005	Medical Examination Procedures
13F.013	Dental Quality Assurance and Risk Management Program
13F.016	Needle and Syringe Control Procedures
13G.001	Bachelor Officer and Enlisted Quarters Administration
15A.003	Credit Card Control Procedures

<u>Unit Control Number</u>	<u>Assessable Units Assigned For Review During FY 96</u>
03.003	Blanket Purchase Agreement Procedures
07.002	Excess Materiel Procedures
08.002	Property Disposal Procedures
08.005	Dental Equipment and Facilities Report Procedures
09.006	Lock and Combination Change Requirements
10.004	Microcomputer Acquisition Procedures
11.001	Administration of Leave and Liberty
11.002	Equal Employment Opportunity Affirmative Action Program
11.003	Standards of Conduct Review
11.004	Command Suggestion Program
11.005	Incentive Award Program
11.008	Command Sponsor Program
11.009	Employee Development Program
11.013	Federal Women's Program
11.015	Sexual Harassment Review Procedures
11.016	Command Managed Equal Opportunity Program (CMEQ)
11.018	Efficiency Review Program
12.005	Job Order Number Assignment and Review
12.006	Memorandum Accounting Procedures
12.008	Year-End Spending Control Procedures
12.016	Overtime Control Procedures
12.018	Workman's Compensation Claim Review Procedures
13A.004	Directives Management Review Procedures
13A.005	Printing Review Procedures
13B.002	Hotline Program
13C.004	Public Quarters Fire Protection Plan
13D.001	Administrative Discharge Procedures
13E.001	Navy Drug Urinalysis Testing Program
13E.003	Dental Training and Education Program
13E.015	Convalescent Leave Authorization Procedures
13E.025	Substance Abuse, Prevention, and Control Program
13E.027	Prosthodontic Laboratory Procedures
13F.010	Smoking Cessation Program
13F.011	Hypertension Education, Prevention, and Control Program
13G.002	Ombudsman Program

GUIDANCE FOR PERFORMANCE OF RISK ASSESSMENTS

1. General

a. A risk assessment, or vulnerability assessment, is a brief evaluation of the susceptibility of an organizational resource to waste, abuse, mismanagement, fraud, or unfavorable public opinion, and is performed by management based on existing knowledge and experience. A risk assessment is not intended to be a massive or time-consuming process. The performance of risk assessments accomplishes three important tasks:

(1) Ensures periodic review of organizational vulnerabilities by management at least once every 5 years.

(2) Identifies organizational vulnerabilities to the responsible manager and communicates results through the chain of command.

(3) Provides a basis for planning subsequent actions. In some instances, a risk assessment can identify specific weaknesses in the management control system for which specific corrective actions can be readily determined.

b. A risk assessment is only a brief evaluation based on existing knowledge and experience that identifies specific management control weaknesses associated with programs or procedural areas; the determination of specific corrective actions will normally require further detailed review and evaluation. Risk assessments primarily serve as a basis for the prioritization of those locally determined areas for which management control evaluations will be performed. There are two types of risk assessments that may be used:

(1) Risk Assessment. Management's review of the susceptibility of an assessable unit to waste, loss, unauthorized use, errors in reports and information, illegal or unethical acts, or the perception that such situations may exist. Risk assessments will be performed to assess the vulnerability of all locally determined review areas using the form provided in attachment A to this enclosure. Completed forms will be kept by commands to certify that risk assessments were completed.

(2) Alternate Risk Assessment. An alternate risk assessment is based on management's knowledge of the assessable unit and how it functions or operates, its built-in controls, related information obtained from activity reporting systems, previous risk assessments, or information obtained from other sources provided to the commanding officer for review (e.g., command reviews, external audit reports, inspections, minutes

taken at organizational meetings, etc.). Associated documentation must be held by commands to certify that alternate risk assessments were conducted.

2. Steps to the Performance of Risk Assessments

a. Organize the Process. The first step consists of organizing the process within the command and within organizational components which will perform risk assessments. Responsibility for management control and for performance of risk assessments must follow organizational lines within the chain of command. Therefore, risk assessments must be scheduled and local guidance and reporting instructions must be issued. Two important elements of the risk assessment process must also be addressed in this step. The identification of those areas for which assessments will be conducted and the organizational level at which risk assessments will be performed within the command must be determined. These assessments serve as a basis for the prioritization of subsequent MCRs to be performed, through which management will be able to identify specific needed improvements in management controls and take appropriate corrective action. Enclosure (1) identifies the current inventory of assessable units for the naval Medical Department. The units presented in enclosure (1) are based on areas for review identified by the Command Inspection Program, and high-visibility areas cited for review by the NAVAUDSVC, GAO, Department of Defense Inspector General (DoDIG), and Naval Inspector General. Risk assessments are not required to be performed for these mandated units. However, risk assessments or alternate risk assessments must be performed for all locally determined inventory units at least once every 5 years. These locally determined inventory units identified for review will be prioritized and incorporated into the BUMED directed plan based on risk assessment results. Attachment A to this enclosure identifies guidelines for the performance of risk assessments.

b. Perform Risk Assessments. The second step is to perform assessments for all locally determined inventory units using the Vulnerability Assessment Form (NAVCOMPT 2283) and related guidance provided in attachment A to this enclosure. This form uses an abbreviated numerical rating value to rate overall risk for an assessable unit. While use of this technique will generally result in a satisfactory overall risk assessment rating, it must be emphasized to personnel conducting the assessment that overall ratings can be subjectively increased or decreased based on management judgment, experience, and relative weight given to some rating factors. When an overall rating assigned differs from the rating obtained using the abbreviated numerical rating values, appropriate comment should be made in

block 23 on the form. Alternate risk assessments will be documented using the options and associated criteria presented in paragraph 1b above.

c. Schedule Follow-on Management Control Evaluations. The third step is to use the results of risk assessments to prioritize and schedule follow-on MCRs for locally determined assessable units during the 5-year cycle (currently FY 92-96). Units rated as possessing "high" vulnerability must have management control evaluations performed during the first 2 years of the 5-year cycle. Assessable units rated as possessing "medium" vulnerability will normally have MCRs performed during the remaining 3 years. Units rated "medium" may be assigned for review over the entire 5-year cycle to ensure a more equitable review distribution. Units rated "low" are not required to be scheduled for review. Local reports and followup systems must be established to schedule and monitor the performance of follow-on management control evaluations for all BUMED directed and locally determined inventory units. These local reports and followup systems will provide for identification of the type and nature of management control evaluation to be performed, designation of the person or office responsible for conducting each evaluation, and establishment of timeframes for performance of reviews and completion of corrective actions.

VULNERABILITY ASSESSMENT FORM

1. ORGANIZATION: _____ 2. ORGANIZATION CODE: _____

3. PROGRAM/
FUNCTION/
ACTIVITY
(ASSESSABLE UNIT)



		CHOICE	VALUE			CHOICE	VALUE
GENERAL CONTROL ENVIRONMENT	4. EMPHASIS ON INTERNAL CONTROLS:			7. ADEQUACY OF CHECKS AND BALANCES:			
	MAJOR EMPHASIS		(1)	NOT APPLICABLE			
	MODERATE EMPHASIS		(3)	ADEQUATE			(1)
	MINOR EMPHASIS		(5)	NEEDS IMPROVEMENT			(3)
				REQUIRED BUT TOTALLY LACKING			(5)
	5. COVERAGE BY WRITTEN PROCEDURES:			8. ADP USED FOR REPORTING OR OPERATIONAL DATA:			
	SPECIFIC GUIDANCE W/ LITTLE OR NO DISCRETION		(1)	NOT APPLICABLE			
	FLEXIBLE GUIDANCE W/ SIGNIFICANT DISCRETION		(3)	DATA RELIABILITY (TIMELINESS, ACCURACY) AND SECURITY ARE SATISFACTORY			(1)
	NO WRITTEN PROCEDURES		(5)	DATA RELIABILITY OR SECURITY NEEDS SOME IMPROVEMENT			(3)
				DATA RELIABILITY/SECURITY IS A MAJOR PROBLEM			(5)
6. SPECIFYING GOALS AND MEASURING ACCOMPLISHMENTS:			9. PERSONNEL RESOURCES				
NOT APPLICABLE			ADEQUATE NUMBER OF QUALIFIED PERSONNEL			(1)	
GOALS/OBJECTIVES FORMALLY ESTABLISHED AND MONITORED		(1)	ADEQUATE NO. OF PERSONNEL BUT SOME TRAINING REQUIRED			(3)	
GOALS/OBJECTIVES USE INFORMALLY OR W/ LITTLE FOLLOWUP		(3)	INSUFFICIENT NO. OF PERSONNEL OR MAJORITY OF STAFF LACKS QUALIF. OR NEEDED TRAINING			(5)	
GOALS/OBJECTIVES NEEDED, BUT NOT ESTABLISHED		(5)					
ANALYSIS OF INHERENT RISK	10. PROGRAM ADMINISTRATION:			15. TYPE OF TRANSACTION DOCUMENT			
	DON ONLY		(1)	NON-CONVERTIBLE TO CASH OR BENEFIT			(1)
	JOINT SERVICE		(3)	CONVERTIBLE TO SERVICES ONLY			(3)
	THIRD PARTY (CONTRACTOR)			DIRECTLY CONVERTIBLE TO CASH			(5)
	• HEAVY INVOLVEMENT		(4)				
	• TOTAL INVOLVEMENT		(5)	16. INTERVAL SINCE MOST RECENT EVALUATION OR AUDIT:			
	11. SCOPE OF WRITTEN AUTHORITY:			WITHIN LAST 9 MONTHS			(1)
	PRECISE		(1)	BETWEEN 9 AND 24 MONTHS			(3)
	CLARIFICATION REQUIRED		(3)	MORE THAN 2 YEARS			(5)
	NO WRITTEN AUTHORITY		(5)	17. RECENT INSTANCES OF ERRORS OR IRREGULARITIES:			
	12. AGE/STATUS OF PROGRAM:			NONE IN THE LAST 18 MONTHS			(1)
	RELATIVELY STABLE		(1)	MOST SIGNIFICANT FINDINGS OR KNOWN ERRORS FULLY CORRECTED			(3)
	CHANGING		(3)	MOST SIGNIFICANT FINDINGS OR KNOWN ERRORS UNRESOLVED			(5)
	NEW OR EXPIRING WITHIN 2 YEARS		(5)	18. ADEQUACY OF REPORTS:			
13. EXTERNAL IMPACT OR SENSITIVITY:			ACCURATE AND TIMELY			(1)	
NOT APPLICABLE			SOMETIMES INACCURATE, INCOMPLETE, AND/OR LATE			(3)	
LOW LEVEL		(1)	USUALLY INADEQUATE AND LATE			(5)	
MODERATE LEVEL		(3)	19. TIME CONSTRAINTS:				
HIGH LEVEL		(5)	NOT A SIGNIFICANT FACTOR IN OPERATIONS			(1)	
14. INTERACTION ACROSS ORGANIZATIONS:			OCCASIONALLY A FACTOR			(3)	
EXCLUSIVE TO ONE OFFICE		(1)	A SIGNIFICANT DAILY FACTOR			(5)	
WITHIN TWO FUNCTIONAL OFFICES		(3)					
MORE THAN TWO FUNCTIONAL OFFICES		(4)					
INVOLVEMENT WITH OUTSIDE ORGANIZATIONS		(5)					
PRELIMINARY ASSESSMENT OF SAFE GUARDS	20. ASSUMED EFFECTIVENESS OF EXISTING CONTROLS			21. OVERALL VULNERABILITY ASSESSMENT:	SCORE 		
	CONTROLS ADEQUATE		(1)	LOW <input type="checkbox"/> (LESS THAN 27)			
	LESS THAN ADEQUATE		(3)	MEDIUM <input type="checkbox"/> (27-34)			
	NO EXISTING CONTROLS OR COSTS OUTWEIGH BENEFITS		(5)	HIGH <input type="checkbox"/> (GREATER THAN 34)			
				22. MCR RECOMMENDED?	<input type="checkbox"/> YES <input type="checkbox"/> NO		

23. COMMENTS

24. VA CONDUCTED BY _____ Title _____ Date _____

25. VA APPROVED BY _____ Title _____ Date _____

COMPLETING THE VULNERABILITY ASSESSMENT FORM

Mark the blocks which come closest to describing the program, function, or activity being assessed.

1. **Organization.** Enter the activity/command conducting the VA.
2. **Organization Code.** Enter your organization code.
3. **Program/Function/Activity.** Enter the assessable unit under evaluation.

GENERAL CONTROL ENVIRONMENT. Blocks 4-9 cover some of the organizational, procedural, and operational factors which can have an impact on the effectiveness of internal controls.

4. **Emphasis on Internal Controls.** Select one of the following:

Major Emphasis: Internal controls are considered in the planning and operations of functions and programs at each level within the organization.

Moderate Emphasis: Controls are considered in one or more of the following: evaluation of operations, performance appraisal, and external requirements.

Minor Emphasis: There is little evident consideration of internal controls at most levels within the organization.

5. **Coverage by Written Procedures.** The basic issue is whether there are written procedures for employees to follow within the general rules, and how much discretion is allowed. Usually, the more discretion allowed, the more potential for abuse. An example involving no discretion would be the time and attendance system; allocation of staffing or budget resources would represent significant discretion.
6. **Specifying Goals and Measuring Accomplishments.** Establishing program and budgeting goals provides an office and its employees with benchmarks for measuring accomplishments. When these goals are not established, reviewed periodically, updated, and disseminated to employees, successful achievement is less likely.
7. **Adequacy of Checks and Balances.** Checks and balances are utilized so that authority for certain functions is shared among two or more employees or organization levels to minimize the potential of waste, fraud, abuse, or mismanagement. Determine first if checks and balances are appropriate, and if so, are they adequate to protect the resource from manipulation, misappropriation, etc.
8. **ADP Used for Reporting or Operational Data.** Many activities are highly dependent on ADP for either operations or providing data or information on which management decisions are made. While use of ADP can save time, there are issues of reliability and security which are particularly important when the use of automated equipment is involved. If ADP is not used for the unit being assessed, check the not applicable box.
9. **Personnel Resources.** Select the choice which best depicts both the number of needed personnel available to perform the activity and the extent to which these personnel are adequately qualified and trained.

ANALYSIS OF INHERENT RISK. Blocks 10-19 deal with the function's inherent potential for waste, fraud, abuse, or management.

10. **Program Administration.** An important factor in determining the vulnerability of a particular program is the extent to which DON internal control mechanisms can effectively monitor and influence program operations. If another service or a contractor has significant responsibility for program administration, inherent risk is greater.

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11. **Scope of Written Authority.** Select one of the following:

Precise: Governing legislation or regulations, and/or delegations of authority clearly establish the amount of authority and discretion vested in program officials.

Clarification Required: The amount of authority and discretion is not clearly established.

No Written Authority: There are not written delegations or other official documentation establishing the limits on administering a program or function.

12. **Age/Status of Program.** A program or assessable unit which has relative stability over a period of years with the same fundamental mission can be potentially less vulnerable because procedures for administering its resources have been worked out and in place to a greater degree. Major new responsibilities or legislative changes can introduce greater potential for risk, as can situations involving phase out (expiration) or new programs.

13. **External Impact or Sensitivity.** Select one of the following:

Not Applicable: No external impact or sensitivity.

Low Level: Total number of individuals or organization affected are relatively small.

Moderate Level: The program serves or impacts a moderately sizable number of individuals or organization external to the activity.

High Level: Significant impact or sensitivity due to high degree of interest and potential influence of the program by external organizations. This situation exists when program managers must continuously consider the external impact of the program operations.

14. **Interaction Across Organizations.** The greater the number of activity offices or outside organizations involved in carrying out the processes of a program or function, the greater the risk of error. Select one of the following:

Exclusive To One Office: (e.g., classification, telephone change requests)

Within Two Functional Offices: (e.g., procurement requests)

More Than Two Functional Offices: (e.g., proposed policy directives, clearance of regulations, information collection)

Involvement With Outside Organization: (e.g., interagency agreements, professional organizations, or systems which involve more than one agency (i.e., payroll or administrative payment systems))

15. **Type of Transaction Document.** An instrument is a document utilized in the approval/disapproval or execution phases of a process. The base issue is the convertibility of instruments to cash or things suitable for personal benefit. Many instruments can be converted to personal use. Select one of the following:

Non-convertible Instruments: Memoranda and letters indicating a determination or approval. These are records of transactions and cannot be exchanged for cash or services.

Convertible to Services Only: Numbered items, convertible to services, not cash. (e.g., government meal tickets, GTR's)

Directly Convertible to Cash: Negotiable items; salary checks, check received by the activity, imprest fund vouchers, etc.

16. **Interval Since Most Recent Evaluation or Audit.** The longer the interval between systematic operational reviews, the greater the likelihood that system or operational errors go undetected. It is important, therefore, that all control systems undergo periodic audits/reviews/evaluations to detect errors and initiate improvements. Indicate in block 16 the length of time passed since the last audit or evaluation, then list in block 23 the title, review, and date of any reviews or audits of program/function/activity during the previous 24 months.

17. **Recent Instances of Errors or Irregularities.** Recent errors or irregularities are indications of either a lack of internal controls or ineffectiveness or existing ones. Further, the speed with which these errors are corrected can be an indication of management commitment to minimizing opportunities for waste, fraud, abuse, and mismanagement.

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18. **Adequacy of Reports.** The accuracy and timeliness of normal recurring reports (particular financial reports) are good indicators of a well-run operation.
19. **Time Constraints.** To the extent than an activity must operate under severe time constraints, the ability to produce work of consistent quality is reduced. Such constraints generate a powerful inducement to end run system of internal control.

PRELIMINARY ASSESSMENT OF SAFEGUARDS

20. **Assumed Effectiveness of Existing Controls.** Select one of the following:

Controls Adequate: If control improvements are required they are of a minor nature.

Less Than Adequate: Controls in need of more than minor revisions or improvements.

No Existing Controls or Costs Outweigh Benefits: Indicates the need for establishing internal control, or instances where costs unquestionably exceed the benefits derived from controls.

21. **Overall Vulnerability Assessment.** To arrive at the overall assessment rating add up the numerical values assigned to the blocks checked and compare the sum with the ranges indicated next to the Low, Medium, and High ratings.
22. **MCR Recommended?** In most cases, if you have marked a high overall VA on Block 21, you should indicate "Yes". If there is a reason you feel that an MCR need not be conducted in a highly vulnerable area, provide details under Block 23, Comments. The conduct of MCRs in medium or low vulnerability areas should be in consonance with guidance issued by superiors in the chain of command. Use Block 23, Comments to provide clarification for not performing MCRs in medium and low areas (e.g., not required by HQ component guidance).
23. **Comments.** Provide additional detail concerning responses in other blocks, and any other information you feel is relevant.
24. **VA Conducted By.** This form should be signed and dated by the person who made the assessment and completed the form.
25. **VA Approved By.** The management official who approves this assessment should sign and date the form. Normally, this official would be the supervisor of the individual who made the assessment.

GUIDANCE FOR PERFORMANCE OF MANAGEMENT CONTROL EVALUATIONS

1. General. A management control evaluation is a detailed examination of an assessable unit to determine if adequate controls exist and are implemented in a cost effective manner. MCRs can take the form of an MCR or an AMCR. MCRs are used to evaluate the adequacy of control objectives and techniques, operational compliance with established controls, and operational effectiveness. AMCRs are primarily used to evaluate operational compliance with established controls, but not the adequacy of control objectives and techniques themselves. Management must determine the most appropriate and effective form of management control evaluation to be performed. Further, an MCR or AMCR need not be performed for an entire assessable unit. Where the nature of the vulnerability of an assessable unit is derived primarily as a result of specific factors affecting only a portion of an assessable unit, then it may be desirable to limit the scope of an MCR or AMCR to that portion of the assessable unit. Also, the nature and scope of the vulnerability of an assessable unit might require more than one MCR or AMCR, or any combination of the two, be performed.

2. Performance of AMCRs. Managers must prioritize, plan, and schedule AMCR efforts. AMCRs must, as a minimum, determine overall operational compliance with established controls, include testing of controls, and document all pertinent aspects of the review (i.e., the type and scope of review, responsible official, pertinent dates and facts, results of testing, key findings, and recommended corrective actions). Also, the results of AMCRs performed, including the identification of any weaknesses in management control and applicable corrective actions planned or taken, must be reported via the local followup system of the command to provide information necessary to support preparation and submission of the semiannual or annual report on results of management control evaluations. While AMCRs are intended to substitute for the traditional MCR to the extent possible, they should not be viewed as the sole process for evaluating controls in all review areas.

3. Performance of MCRs. An MCR is a comprehensive examination of all or part of an assessable unit by the responsible manager to determine the adequacy of control objectives and techniques employed, to determine the effectiveness of operational compliance with those controls, and to identify and correct weaknesses in the management control system. MCRs must be sufficiently documented to identify the scope of the MCR, the responsible manager, pertinent dates and facts, results of testing, key findings, and recommended corrective actions. Documentation must be understandable to a reasonably knowledgeable reviewer. Attachments A and B to this enclosure

provide MCR worksheets that will prove useful in documenting the performance of MCRs. There are four steps to the performance of an MCR, as described in the following paragraphs:

a. Planning the MCR. The performance of an MCR must be planned and scheduled. Risk assessment results, in combination with the results of any previous MCR or AMCR evaluations, for the assessable unit will be reviewed. The desired scope of the MCR to be performed must be defined as programmatic or procedural to describe what will be reviewed. Personnel to conduct the MCR must be assigned and target dates for completion of the MCR must be established. MCRs and AMCRs for BUMED directed areas of review under the current 5-year cycle may be conducted and results reported 1 year before the fiscal year assigned in enclosure (2), but not later than this year. Reviews for local inventory units with high risk must be completed during the first 2 years of the current 5-year cycle. When local inventory units with high risk are selected for review after the first 2 years of the current 5-year cycle, the review will be completed during the fiscal year the risk was identified. To allow for a more equitable distribution of reviews during the 5-year cycle, local inventory units rated as medium risk will be planned for evaluation and results reported at any time during the entire cycle.

b. Analysis of General Control Environment. The general control environment can have a significant influence on inherent risks, control objectives, and control techniques within an organization. Factors affecting the general control environment include management attitude, organizational structure, personnel resources, delegation and communication of authority and responsibility, budgeting and reporting practices, and the nature and scope of organizational checks and balances. To the extent these factors promote and support a positive and control-conscious environment, the general control environment is improved and organizational vulnerability for an assessable unit is reduced. The condition of the general control environment may also have an adverse impact on established controls. The poorer a general control environment is, the greater the need for specific control objectives and formal control techniques. To adequately address these concerns, the reviewer must analyze the general control environment for each event cycle through the review of applicable documentation and the use of observation and interview techniques. Previously performed risk assessments should also be reviewed at this time. Briefly document the results of the analysis and identify any weaknesses in the general control environment in the comments section of attachment A to this enclosure. Examples of weaknesses that could be detected in this portion of the review might include an excessively decentralized organizational structure reducing

management visibility and control over operations, inadequate personnel resources or rapid personnel turnover, poorly defined organizational authority and responsibility, a general lack of organizational checks and balances where one person might control virtually all management aspects of a program or resource, poor supervision, and generally poor management support for the maintenance of effective and efficient management controls.

c. Identification Process. Organizational responsibilities for virtually all resources can be identified in terms of a series of events (event cycles) within the designated span of organizational control. These events are the steps taken by the organization to get something done and normally involve receipt of some form of input, organizational output, or related management action. Each receipt, processing, and disposition event will normally possess unique aspects of inherent risk affecting organizational vulnerability. It should have corresponding control objectives and techniques established to provide reasonable assurance that effective and efficient management control of the event is achieved. To adequately evaluate these factors, the associated event cycles and the inherent risks, control objectives, and control techniques applicable to each event must be properly evaluated and documented. Attachments A and B to this enclosure provide worksheets to be used to accomplish and document the overall review process. When space provided on the MCR worksheets is insufficient to provide adequate documentation or applicable documentation exists in some other form, supporting documentation can be attached or referenced on the MCR worksheet as appropriate. It must be emphasized that applicable documentation need not be duplicated when it already exists in some other form. Also, as the worksheets are essentially working papers, they need not be typed as long as entries are legible. Flowcharting techniques can be used, but the essential elements of the identification process described below must be performed and documented:

(1) Identification and Description of Event Cycles. Use attachment A to this enclosure to identify and describe or reference each event within the defined scope of the MCR. This can be accomplished by the reviewer through review of available organizational documentation or through the use of observation and interview techniques. As these event cycles and associated control objectives and techniques will be reviewed and referenced later, it will be useful to identify each event cycle sequentially at this time. Examples could include receipt of some form of input (i.e., reports, correspondence, requisitions, supplies, equipment, personnel, products, services, benefits, information, requirements or directives necessitating some

organizational action, etc.), organizational processing steps for that input, and various forms of disposition of related output or management action taken in response to that input.

(2) Identification and Analysis of Control Objectives. Identify and briefly describe or reference existing management control objectives applicable to each event cycle. Control objectives identify what should be controlled and why. In many instances control objectives will have been documented through personnel performance appraisal processes or exist in local organizational directives in some form. Some control objectives may exist informally and may not be documented, therefore requiring the use of observation or interview techniques by the reviewer to identify existing control objectives. Examples could include maintaining a certain percentage of medical equipment in a ready status at all times, affecting timely and accurate payment of dealer invoices, minimizing overtime costs, updating organizational directives in response to changing requirements in a timely manner, controlling classified material in a certain way, and preventing unauthorized access to certain areas.

(3) Analysis of Inherent Risk. Use attachment A to this enclosure to identify and describe or reference inherent risks of organizational waste, abuse, mismanagement, fraud, and unfavorable public opinion applicable to each event. Examples could include potential waste of organizational resources (i.e., supplies, personnel, equipment, data processing resources, money, etc.), telephone or copy machine abuse, mismanagement of organizational resources because of erroneous data used as a basis for management decision, fraud in areas related to contracting, compromise of sensitive or classified data, unfavorable public opinion because of lack of timely response by management, or carelessness in some area affecting the public. Consideration should not be given to the adequacy of related management controls at this stage of the review process.

d. Analysis Process. Attachment B to this enclosure provides a worksheet to be used to accomplish and document this process. Note that more than one worksheet may be used, depending on the number of event cycles identified as risk inherent. When space provided on the MCR worksheet is insufficient to provide adequate documentation or applicable documentation exists in some other form, supporting documentation can be attached or referenced on the MCR worksheet as appropriate. Applicable documentation need not be duplicated when it already exists in some other form. Also, as the MCR worksheet is a working paper, it need not be typed as long as entries are legible. Flowcharting techniques are authorized, but the essential elements of the analysis process described below must be performed and documented:

(1) Identification and Analysis of Control Techniques.

Identify and briefly describe or reference existing management control techniques employed for each event. Control techniques can be generally described in terms of where a control is situated, who is responsible and accountable for a control, and how and when a control operates. In many instances, control techniques are documented in local organizational directives and standard operating procedures. Some control techniques will exist informally and may not be documented, requiring the use of observation and interview techniques by the reviewer to identify existing control techniques. Examples could include the use of batch balancing and hash totals to verify accuracy of transactions; use of prenumbered and controlled collection agent receipts and periodic spot checks to ensure proper cash, inventory, or security control; use of schedules and reports to plan and monitor performance; use of system edits and passwords to control data entry; use of locks and obstacles to preclude unauthorized physical access; or use of briefings and training programs to properly train new or inexperienced personnel.

(2) Testing of Control Techniques.

The reviewer must test control techniques identified for each event cycle to ensure established controls are functioning as intended and provide reasonable assurance that effective and efficient management control of the event cycle is achieved. Testing can be accomplished by reviewer-performed operational tests of a control, observation of a control technique in operation, interviews with personnel involved with the operation of the control technique, or the appropriate combination of these methods. Briefly comment on the results of testing and identify any weaknesses in the operation of the control technique, along with planned corrective actions, in the comments section of attachment B to this enclosure. Reference or attach actual test documentation to the MCR worksheet. Actual test documentation must include date testing was completed, supplemental working papers showing what documents were reviewed, what observations and interviews were performed, and any documentation supporting the results of testing and weaknesses identified. Examples of weaknesses that could be detected in this portion of the review might include improper handling of classified material, improper authorization of transactions, performance of functions by personnel that should not be performing them, inaccurate or untimely reporting, failure of system edits and reconciliation procedures to detect errors in a timely manner, failure to properly record and report transactions, loss of control or management visibility over some events, ineffective or inefficient use of personnel resources, and problems affecting personnel safety.

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(3) Identified Weaknesses in Management Control and Corrective Actions. Upon completion of the above actions, the reviewer must ensure all weaknesses detected have been properly documented on attachment B to this enclosure, and that corrective actions have been identified for each weakness. This information will be used to support preparation of the management control status report and annual management control certification statement identified in enclosure (5).

(4) Testing of Implemented Corrective Actions. All corrective actions implemented must be tested to ensure these actions are performing as intended. This testing must be annotated on attachment B, enclosure (4), the review documentation, and be reported as complete in the appropriate field on the management control semiannual tracker report as directed in attachment D to enclosure (5).

MANAGEMENT CONTROL REVIEW WORKSHEET

Page ____ of ____

Department/Division: _____ Unit Control No.: _____
Functional Category: _____
Assessable Unit: _____

Event
Cycle(s)

Control
Objective(s)

Comment(s)/
Reference(s)

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Attachment A
Enclosure (4)

MANAGEMENT CONTROL REVIEW WORKSHEET

Page ____ of ____

Department/Division: _____ Unit Control No.: _____

Functional Category: _____

Assessable Unit: _____

Event Cycle: _____

Control
Techniques/
Type of
Testing Used

(S)trength
(W)eakness
(E)xcessive

Func-
tioning
(Y)es
(N)o

Ade-
quate
(Y)es
(N)o

Date
Testing
Completed/
Comments

Prepared By: _____ Date: _____

Reviewed By: _____ Date: _____

MANAGEMENT CONTROL PROGRAM
REPORTING REQUIREMENTS

1. To ensure implementation of the Management Control Program, the following report requirements must be met by all naval Medical Department activities:

a. Management Control Status Report. Activities must submit, for the period 1 July through 31 December, a management control status report to MED-09CE by 30 January of each year. Reports must identify all weaknesses from the reporting command and include subordinate activity information when appropriate. The statements must be developed from all available sources including MCRs, inspections, investigations, studies, etc. Semiannual certification statements must be signed by the commander, commanding officer, officer in charge, or acting.

(1) Format for the basic letter is provided in attachment A to this enclosure.

(2) The enclosure to this report must be structured and submitted using the automated management control semiannual tracker report identified in attachment B to this enclosure. Initial and followup reports within this report must be structured as follows:

(a) Initial Report. Status for all corrected and uncorrected weaknesses discovered when conducting the MCR or AMCR. Only MCRs and AMCRs resulting in corrective action will be reported. However, recommendations for program or procedural improvements, identification of innovative control techniques, etc., may be included though no local corrective actions were identified. BUMED will rollup and review this information from a claimancy-wide perspective to ascertain the materiality of weaknesses reportable to CNO and to promote overall management efficiency and effectiveness. Format is provided in attachment C to this enclosure.

(b) Followup Report. Status reported for any weakness area with corrective action identified as incomplete in prior year statements. Format is provided in attachment D to this enclosure.

b. Annual Management Control Certification Statement. Activities must submit, for the period 1 July through 30 June, an annual management control certification statement to MED-09CE by 15 July of each year. All weaknesses must be identified from the reporting command, including subordinate activity information when appropriate. Certification statements must be developed from all available sources including MCRs, inspections,

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investigations, studies, etc. Annual certification statements must be signed by the commander, commanding officer, officer in charge, or acting.

(1) Format for the basic letter is provided in attachment A to this enclosure.

(2) The enclosure to this statement must be submitted in the same format as the enclosure to the management control status report listed above.

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SUGGESTED FORMAT FOR
MANAGEMENT CONTROL STATUS REPORT
AND ANNUAL CERTIFICATION STATEMENT

From: (Bureau of Medicine and Surgery/Reporting Activity)
To: (Next higher level in reporting chain)

Subj: (MANAGEMENT CONTROL STATUS REPORT or ANNUAL MANAGEMENT
CONTROL CERTIFICATION STATEMENT) FOR FY ____

Ref: (a) BUMEDINST 5200.13

Encl: (1) Management Control Semiannual Tracker Report

1. Per reference (a), enclosure (1) is provided.
2. The Management Control Program at this command has been evaluated for the period ending (31 December 19____ (Management Control Status report) or 30 June 19____ (Annual Management Control Certification Statement)). Information to support this statement was derived from the management control program including audits, inspections, and other management reviews. Except for identified weaknesses and ongoing corrective actions presented in enclosure (1), the system of management control in effect for this command during this reporting period provided reasonable assurance that the objectives of the Federal Manager's Financial Integrity Act were achieved.
3. You may reach my point of contact, (name of command/activity management control program coordinator) at (Defense Switched Network (DSN) or commercial telephone number).

Signed by Commander
Commanding Officer,
Officer in Charge,
(or in the absence
of the above, Acting)

Attachment A
Enclosure (5)

MANAGEMENT CONTROL SEMIANNUAL TRACKER REPORT INSTRUCTIONS

1. All naval Medical Department activities must prepare this report using the most current software program provided by BUMED. For information concerning the current software version available, contact the command responsible for rollup of your report information (i.e., healthcare support office, special mission headquarters, or BUMED). Report due dates are prescribed in enclosure (5).

2. The following instructions are provided as a guide when making data field entries using the initial or update data entry screens:

a. Field #1 (CONTROL NO.). Type the inventory control number assigned to the particular assessable unit and hit <ENTER>. Control numbers for BUMED directed assessable units to be reviewed during FY 92-96 are identified in enclosures (1) and (2). Additional areas for review may be assigned new control numbers in sequence during the course of the 5-year cycle; however, only BUMED is authorized to establish control numbers for functional and subfunctional categories 1 through 15. Locally determined inventory review areas will not be reflected in functional and subfunctional categories 1 through 15, but must be in sequence and limited to subfunctional categories specifically designated under functional category 16. For example, the first locally assigned review area determined by an activity to be under the functional category Contract Administration would be allocated control number 16D.001, the second review area 16D.002, the third area 16D.003, etc. Should BUMED direct new areas to be reviewed, or the activity selects local inventory areas for review, new control numbers be created by selecting CONTROL.DBF on the main menu.

b. Field #2 (ASSESSABLE UNIT). Title of the area to be reviewed. The applicable assessable unit title will appear automatically when a valid control number is entered. Should BUMED direct new areas to be reviewed, or the activity selects local inventory areas for review, titles for these new assessable units must be created by selecting CONTROL.DBF on the main menu.

c. Field #3 (UIC). Type the unit identification code assigned to your particular command and hit <ENTER>. This is the UIC for reporting activity. Newly identified UICs and their associated COMMAND and TYPE titles must be created by selecting UIC.DBF on the main menu.

d. Field #4 (COMMAND). Command reporting directly to BUMED. The information in this field will appear automatically when a valid UIC is entered. Information in this field will identify

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the command responsible for rollup of report information for supported activities or subordinate activities (e.g., HLTHCARE SUPPOs and special mission activities). Use the following abbreviations:

<u>Command</u>	<u>Abbreviation</u>
Headquarters Component, Bureau of Medicine and Surgery, Washington, DC	BUMED
Naval Hospital, Portsmouth, VA	NHPORTS
National Naval Medical Center, Bethesda, MD	NNMCBETH
Naval Hospital, San Diego, CA	NHSD
Naval Hospital, Oakland, CA	NHOAK
HLTHCARE SUPPO London, UK	HSOLON
HLTHCARE SUPPO Norfolk, VA	HSNORVA
HLTHCARE SUPPO Jacksonville, FL	HSOJAX
HLTHCARE SUPPO San Diego, CA	HSOSD
Navy Environmental Health Center Norfolk, VA	NEHC
Naval Ophthalmic Support and Training Activity, Yorktown, VA	NOSTRA
Naval Medical Logistics Command Frederick, MD	NAVMEDLOGCOM
Naval Aerospace Medical Institute, Pensacola, FL	NAMI
Naval Health Sciences Education and Training Command, Bethesda, MD	HSETC
Naval Medical Research and Development Command, Bethesda, MD	RESDEVCOM
Naval Medical Data Services Center, Bethesda, MD	NMDATSVCCEN
Naval Office of Medical/Dental Affairs, Great Lakes, IL	OMA

e. Field #5 (TYPE). Type of command originating the report information. Type will always be that of the reporting unit identification code (UIC). Use the following abbreviations:

<u>Activity</u>	<u>Abbreviation</u>
Headquarters Component, BUMED	HDQTRS
Healthcare Support Office	SUPPACT
Environmental Health Center	EVRHLTHCEN
Drug Laboratory	DRUGLAB
Preventive Medicine Unit	NEPMEDU
Disease Vector Ecology and Control Center	NDVECCNCEN
Ophthalmic Support and Training Activity	OPSUPTRACT
Naval Medical Logistics Command	NAVMEDLOGCO
Aerospace Medical Institute	AEROMED
Health Sciences Education and Training Command	EDTRACMD
Hospital Corps School	HOSPCORSCH
School of Health Sciences, San Diego, CA	NSHSSDIEGO
School of Dental Assisting and Technology Detachment, Oakland, CA	NSDAT
School of Health Sciences, Bethesda, MD	NSHSBETH
Fleet Hospital Operations and Training Command	FLTHOSPOPS
Medical Research and Development Command	RDCMD

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Medical Research Unit	MEDRESU
Medical Research Unit Detachment	MEDRESUDET
Medical Research Institute	MEDRINS
Medical Research Institute Detachment	MEDRINSDET
Medical Research Institute Detachment of Toxicology	MEDRINSTOX
Dental Research Institute	DENRESINS
Medical Research Development Laboratory	RESDEVLAB
Submarine Medical Research Laboratory	SUBMEDRLAB
Biodynamics Laboratory	BIODYNLAB
Health Research Center	HLTHRESCEN
Medical Data Services Center	DATSVCSUPA
Office of Medical/Dental Affairs	MEDDENAFF
Teaching Hospital	TEACHHOSP
Hospital	HOSPITAL
Medical Clinic	MEDCLINIC
Branch Dental Clinic	BDENCLINIC
Branch Medical Clinic	BMEDCLINIC
Dental Center	DENCENTER

f. Field #6 (MCR/AMCR COMPLETE). Status of the MCR or AMCR. Responses will be YES (review completed) or NO (review not completed).

g. Field #7 (CORRECTIVE ACTIONS IDENTIFIED). Enter the total corrective actions identified as a result of the MCR or AMCR completed (field default value is 0 if no corrective actions are identified; or enter code 999 when no corrective actions are

identified locally, but recommendations for program or procedural improvements to higher authority are desired as provided for in paragraph 6 to attachment C to this enclosure.

h. Field #8 (CORRECTIVE ACTIONS COMPLETED). State the number of corrective actions completed. This must not exceed the number of corrective actions previously scheduled for completion in field #7 (field default value 0 will appear automatically when code 999 is used in field #7 above).

i. Field #9 (DATE TESTING COMPLETED). Enter the date (month, day, year) testing was completed for all implemented corrective actions. For example, testing completed on 1 March 1992 would be entered as 030192. This date will be entered when all implemented actions have been finalized by testing and officially closes out the review as completed. Testing ensures that corrective actions implemented are working to correct the problem as intended. Should the implemented action not correct the problem identified in the review, a new corrective action will be evaluated and implemented with additional testing scheduled in the future. Access to this field is allowed permitted only when the number of corrective actions completed in field #8 is equal to the number of corrective actions previously identified in field #7.

j. Field #10 (SOURCES EMPLOYED TO IDENTIFY THIS WEAKNESS). Enter the appropriate source code (A through G) that identifies the type of review employed. Should A through G not apply, leave this field blank to enter field #11 below.

k. Field #11 OTHER (EXPLAIN). State the type of review used, if none of the sources in field #10 are appropriate. Be specific (i.e., Collection Agent Audit, January - March 1992; Precious Metal Recovery Audit, October 1991 and April 1992; Contract Management Review, 14-16 November 1991; Blanket Purchase Agreement Review, January and August 1992; JCAHO inspection of 13-17 March 1992; Total Quality Leadership Team Review, February 1992; etc.).

l. Field #12 (SAVE DATA (Y/N)). To save data, or not to save data entered to this point. Responses will be Y (save data), or N (do not save data).

m. Field #13 (INITIAL REPORT (I)). Type I to enter the initial report format prescribed in attachment C to this enclosure when the review results in corrective actions completed or planned to be completed. Upon completion of the initial report, type CTRL W to save your typed report. You will be able to access this field only if your response in field #7 identifies corrective actions, or the access code 999 is entered.

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n. Field #14 (FOLLOWUP REPORT (F)). Type F to enter the followup report format required in attachment D to this enclosure when followup to corrective actions identified in your initial report are required. Upon completion of your followup report, type CTRL W to save your typed report. Should you desire to correct typing errors or errors of omission in your initial report, leave this field blank to re-enter field #12 above. You will be unable to access this field if no corrective actions were identified in field #7.

INITIAL REPORT FORMAT
FOR CORRECTIVE ACTIONS IDENTIFIED

1. Reviewer. Name, title, grade or rank, and telephone number (DSN and commercial) of the responsible managers conducting the MCR or reporting AMCR results.
2. Local Inventory Assessment. If local inventory review area, risk assessment result (high, medium, or low); or N/A if SECNAV, CNO, or BUMED directed.
3. Summary of Weakness. Provide a brief statement describing the weakness identified as a result of the MCR or AMCR performed. Include the problem, scope and magnitude, adverse impact or potential impact, etc.; or N/A if no weaknesses are identified.
4. Description of Corrective Actions Completed. Describe all corrective actions that were completed as of this report (this information must specifically and succinctly present how and when the action was completed); or N/A if no corrective actions are identified at the activity level.

Description of
Corrective Action

Date
Completed

5. Description of Corrective Actions Scheduled to be Completed. Describe all corrective actions not completed as of this report (this information must specifically and succinctly present what action is to be taken and when it will be completed); or N/A if no corrective actions are identified at the activity level, or all corrective actions identified were reported complete in paragraph 4 above.

Description of
Corrective Action

Scheduled
Completion

6. Recommendations to Higher Authority. Activity recommendations to a specific senior echelon command for possible program or procedural area improvements (include identification of innovative and effective control techniques established locally, historical or recent programmatic or procedural problem areas, recommendations for weaknesses identified in paragraph 3 above that cannot be resolved at the local level, etc.); or N/A if no recommendations.

FOLLOWUP REPORT FORMAT
FOR OPEN CORRECTIVE ACTIONS

1. Status of Open Corrective Actions. Identify and update only open corrective actions previously scheduled for completion which are now completed or on track with scheduled or revised completion dates. Status will be reported as "COMPLETE" or "ON TRACK" to include date of appropriate action; or N/A if all remaining corrective actions require revised completion dates.

Open
Corrective Action

Status/Date

2. Justification for Open Corrective Actions with Revised Completion Date. Identify and update only open corrective actions previously scheduled for completion that were not completed on time, or for those which you anticipate delays. Justification must include the cause for delay and establish a revised completion date; or N/A if all open corrective actions identified in your initial report are reported completed or on track in paragraph 1 above.

Open
Corrective Action

Justification/Revised
Completion Date

GUIDELINES FOR
SUBMISSION OF REPORT REQUIREMENTS

1. Naval Medical Department activities must report the results of management control evaluations to BUMED via the organizational reporting structure provided below:

a. The following commands must report Management Control Program results, including coordination and consolidation of report information for subordinate activities, directly to BUMED:

(1) Headquarters Component, Bureau Medicine and Surgery, Washington, DC.

(2) Navy Environmental Health Center, Norfolk, VA.

(3) Naval Ophthalmic Support and Training Activity, Yorktown, VA.

(4) Naval Medical Logistics Command, Frederick, MD.

(5) Naval Aerospace Medical Institute, Pensacola, FL.

(6) Naval Health Sciences Education and Training Command, Bethesda, MD.

(7) Naval Medical Research and Development Command, Bethesda, MD.

(8) Naval Medical Data Services Center, Bethesda, MD.

(9) Naval Healthcare Support Office, Jacksonville, FL.

(10) U.S. Naval Healthcare Support Office, London, UK.

(11) Naval Healthcare Support Office, San Diego, CA.

(12) Naval Healthcare Support Office, Norfolk, VA.

(13) Naval Office of Medical/Dental Affairs, Great Lakes, IL.

(14) National Naval Medical Center, Bethesda, MD.

(15) Naval Hospital, Portsmouth, VA.

(16) Naval Hospital, San Diego, CA.

(17) Naval Hospital, Oakland, CA.

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b. The naval healthcare support offices listed below must coordinate and consolidate Management Control Program results from the following commands and their subordinate activities for submission to BUMED:

(1) Naval Healthcare Support Office, Norfolk, VA

- (a) U.S. Naval Hospital, Guantanamo Bay, Cuba.
- (b) U.S. Naval Hospital, Roosevelt Roads, PR.
- (c) U.S. Naval Dental Center, Roosevelt Roads, PR.
- (d) U.S. Naval Hospital, Keflavik, Iceland.
- (e) Naval Dental Center, Norfolk, VA.
- (f) Naval Hospital, Philadelphia, PA.
- (g) Naval Dental Center, Philadelphia, PA.
- (h) Naval Hospital, Groton, CT.
- (i) Naval Medical Clinic, Portsmouth, NH.
- (j) Naval Hospital, Camp Lejeune, NC.
- (k) Naval Dental Center, Camp Lejeune, NC.
- (l) Naval Hospital, Cherry Point, NC.
- (m) Naval Hospital, Great Lakes, IL.
- (n) Naval Dental Center, Great Lakes, IL.
- (o) Naval Hospital, Newport, RI.
- (p) Naval Dental Center, Newport, RI.
- (q) National Naval Dental Center, Bethesda, MD.

(2) Naval Healthcare Support Office, Jacksonville, FL

- (a) Naval Hospital, Jacksonville, FL.
- (b) Naval Dental Center, Jacksonville, FL.
- (c) Naval Medical Clinic, Key West, FL.
- (d) Naval Hospital, Charleston, SC.

- (e) Naval Dental Center, Charleston, SC.
- (f) Naval Hospital, Corpus Christi, TX.
- (g) Naval Hospital, Millington, TN.
- (h) Naval Hospital, Orlando, FL.
- (i) Naval Dental Center, Orlando, FL.
- (j) Naval Hospital, Pensacola, FL.
- (k) Naval Dental Center, Pensacola, FL.
- (l) Naval Medical Clinic, New Orleans, LA.
- (m) Naval Dental Center, Parris Island, SC.
- (n) Naval Hospital, Beaufort, SC.

(3) Naval Healthcare Support Office, San Diego, CA

(a) Naval Healthcare Support Office, San Diego
Detachment OCHAMPUS, Denver, CO.

- (b) Naval Dental Center, San Diego, CA.
- (c) Naval Hospital, Long Beach, CA.
- (d) Naval Dental Center, Long Beach, CA.
- (e) Naval Medical Clinic, Port Hueneme, CA.
- (f) Naval Dental Center, San Francisco, CA.
- (g) Naval Hospital, Lemoore, CA.
- (h) Naval Hospital, Oak Harbor, WA.
- (i) Naval Hospital, Bremerton, WA.
- (j) Naval Medical Clinic, Seattle, WA.
- (k) Naval Hospital, Camp Pendleton, CA.
- (l) Naval Dental Center, Camp Pendleton, CA.
- (m) Naval Hospital, Twentynine Palms, CA.
- (n) U.S. Naval Hospital, Guam.

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- (o) U.S. Naval Dental Center, Guam.
- (p) Naval Medical Clinic, Pearl Harbor, HI.
- (q) Naval Dental Center, Pearl Harbor, HI.
- (r) U.S. Naval Hospital, Subic Bay, RP.
- (s) U.S. Naval Dental Center, Subic Bay, RP.
- (t) U.S. Naval Hospital, Yokosuka, Japan.
- (u) U.S. Naval Dental Center, Yokosuka, Japan.
- (v) U.S. Naval Hospital, Okinawa, Japan.
- (w) U.S. Naval Dental Center, Japan.
- (4) Naval Healthcare Support Office, London, England
 - (a) U.S. Naval Hospital, Rota, Spain.
 - (b) U.S. Naval Hospital, Naples, Italy.
 - (c) U.S. Naval Dental Center, Naples, Italy.
 - (d) U.S. Naval Medical Clinic, London, England.